

TO THE
GENERAL MEETING OF SHAREHOLDERS
OF SOPHARMA AD

PROPOSAL
by the Chairman of the Board of Directors of Sopharma AD
MEMBERS OF THE COMPANY'S AUDIT COMMITTEE

Dear shareholders,

Sopharma AD is an enterprise of public interest within the meaning of § 1, item 26 of the Supplementary Provisions of the Independent Financial Audit Act (promulgated, State Gazette No. 95 of 29.11.2016) § 1, item 22 of the Supplementary Provisions of the Accountancy Act (promulgated, SG No. 95 of 8.12.2015, in force as of 01.01.2016, amended, issue 74 of 20.09.2016, In force from 01.01.2018, amended and supplemented, SG No. 95 / 29.11.2016, No. 97 of 6.12.2016, in force as of 01.01.2017). In its capacity as such, the Company should form its own Audit Committee, which corresponds to the requirements of Art. 107, para. 3 and 4 of the IFF, namely:

1) comprises of persons possessing a master's degree, knowledge in the field in which the enterprise operates, at least one member having at least 5 years of professional experience in the field of accounting or auditing ;

(2) the majority of the members of the audit committee are external to and independent of the public interest entity, as an independent member of an audit committee may not be:

1. member of the management body, executive member of the supervisory body or employee of the Company;

2. a person who has permanent business relations with the Company;

3. a member of a management or supervisory body, procurator or employee of a person who has permanent business relations with the Company;

4. a related person with a member of a management or supervisory body of the Company.

In view of the above and on the grounds of Art. 107, para. 2 of the Independent Financial Audit Act, I propose the following persons as members of the Audit Committee of Sopharma AD:

Vasil Naydenov Naydenov: He holds a master degree in Economics of Transport. Former member of the Audit Committee of Sopharma AD. He has a professional experience of over 35 years in the field of management of large production systems.

Tsvetanka Stoyanova Zlateva: She holds a Master's Degree in Economics. Former member of

the Audit Committee of Sopharma AD. He has been a professional in accounting for more than 30 years.

Kristina Andreeva Atanasova: She holds a Master's Degree in Law. She has a professional experience as a legal advisor for over 6 years.

Pursuant to Art. 107, para. 4 FPM majority of the proposed persons, namely Vasil Naidenov Naydenov and Kristina Andreeva Atanasova - meet the requirements of Art. 107, para. 4 FIFIA.

I attach copies of the diplomas held by the proposed persons, certifying their respective Master's degrees, as well as statements of the candidates for the circumstances under Art. 107, para. 4 of the Independent Financial Audit Act to be included in the agenda of the meeting of the General Meeting of Shareholders to which the composition of the Audit Committee of the Company under the Independent Financial Audit Act (promulgated, SG, No. 95 of 29 November 2016).

Sincerely,

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Ognian Ivanov Donev,
Chairman of the Board of
Directors, Executive
Director